

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees
Administrative Committee Meeting
April 11, 2002

TRUSTEES PRESENT: Ms. Kathryn Matayoshi, Chairperson
Ms. Audrey Hidano
Mr. James Williams

TRUSTEES ABSENT: Mr. James Yasuda

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General (Left 2:35 p.m.)

HEUHBTF STAFF: Mr. Tracy Ban
Ms. Lynette Fukunaga
Ms. Shirley Kawamoto
Ms. Wanda Kimura
Mr. Gary Sanehira
Ms. Karen Tom

OTHERS PRESENT: Ms. Lynette Arakawa, HDS
Mr. George Butterfield, HSTA-Retired
Ms. Becky Bates, HDS
Mr. Melvin Higa, MBAH
Mr. Charles Khim
Mr. Gordon Murakami, Royal State

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 10:10 a.m. by Chairperson Kathryn Matayoshi in Conference Room 306, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on Thursday, April 11, 2002.

Mr. Yasuda was unable to attend due to illness.

II. APPROVAL OF MINUTES

- A. MOTION to approve the minutes of April 4, 2002. (Williams/Hidano)
Discussion: None.
Vote: Unanimously passed.

III. REPORTS

- A. DAGS' Role and the Trust Fund's acquisition of information and technology services in follow-up of memorandum dated February 25, 2002 from Mr. Melvin M. Higa, Mutual Benefits Association of Hawaii

A two-page document setting out requirements as they relate to IT and TC services; i.e., statutory basis and implementing documents impacting all State

agencies, including the Trust Fund, was distributed to the Committee. The summary will be distributed to the board as a report back from the Administrative Committee on Tuesday, April 16, 2002. Staff was asked to draft a thank you letter to Mr. Higa.

IV. UNFINISHED BUSINESS

A. Hiring of Administrator/Executive Director

This executive session item to consult with the board's attorney on issues pertaining to the board's powers, duties, privileges, immunities, and liabilities as they relate to the board's recruitment of an Administrator; and to consider the hire of an officer or employee for the Fund, was moved to the end of the agenda, after Item VI.

B. Retention of advisors (benefit consultants, investment firms/managers, etc.)

Motion to recommend the RFP, as amended, to the full board. (Williams/Hidano)

Discussion: The committee amended the RFP and Modifications to the General Conditions. Amendments to the Modifications to the General Conditions were:

- 1) Paragraph 8, Cost of Litigation - remove "any" in "any fault on their part" and add "including attorney fees and costs" after "Contractor shall pay all costs and expenses...;"
- 2) Reinstate Paragraph 9, Liquidated Damages - and include a specified amount of \$1,000 per calendar day;
- 3) Paragraph 11, Disputes - simplified language on arbitration to be drafted;
- 4) Paragraph 13, Termination for Default - consider changing all references to 'Agency procurement officer' to 'head of purchasing agency' in this paragraph as well as throughout the General Conditions' and add in an offset clause;
- 5) Leave in Paragraph 18, Federal Funds;
- 6) Revise Paragraph 25, Publicity - to include "Subject to prior approval by the Board or its designee....;"
- 7) Revise Paragraph 28, Audit of Books and Records of the Contractor - and include language on the segregation of materials;
- 8) Leave Paragraph 33, Patented Articles in the General Conditions - and add copyright language; and
- 9) modify Paragraph 39, Waiver - by taking out the last sentence.

RECESS at 12:10 p.m.; reconvened at 12:40 p.m.

Amendments to the RFP were:

- 1) Change Letters of Intent to Letters of Interest;

- 2) Insert the hotline number for the Trust Fund as the Trust Fund's phone number: 586-7390; and
- 3) Revise Section 1, Item VII, Procurement Timetable, to reflect the RFP issuance schedule.

The committee requested the staff to send the revised clean copies to the full board prior to the presentation of the RFP by the committee at the April 16, 2002 board meeting.

Vote: Unanimously passed.

RECESS: 2:10 p.m.; reconvened at 2:15 p.m.

- V. The Committee went into Executive Session to discuss Agenda Item IV.A:
2:15 p.m. to 3:20 p.m.

VI. RESUMPTION OF OPEN MEETING

The staff provided the committee members with a listing of known local and national benefits consulting firms. The list included firms known by the Hawaii Employers Council. Staff will do a search for additional firms from the International Foundation of Employee Benefit Plans.

VII. NEXT MEETING

Thursday, April 18, 2002, 9 a.m. to 12 p.m. The agenda will include: 1) request for proposals and scope of services for a: a) third-party administrator and b) consultant to review and evaluate the HFIMS; and 2) executive session to finalize the scoring/criteria sheet and interview questions for the Administrator position.

VIII. ADJOURNMENT

Motion to adjourn. (Williams/Hidano)

Discussion: None.

Vote: Unanimously passed.

Meeting adjourned at 3:25 p.m.

Respectfully submitted,

Kathryn Matayoshi, Chairperson

APPROVED on April 25, 2002.

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DOCUMENTS DISTRIBUTED:

1. Minutes for April 4, 2002 Administrative Committee Meeting. (2 pages)
2. IT and TC Services, Facilities and Resources and the Trust Fund. (39 pages)
3. Request for Proposals, Informational Document for Proposals to Furnish Benefit Plan Consulting Services (Draft April 11, 2002). (50 pages)
4. Modifications to General Conditions (BA – 4/9/2002 Draft). (5 pages)
5. Benefit Consultant Request for Proposals Issuance Schedule (04/09/02). (1 page)
6. Executive Search Firm, Scope of Work. (Draft 4/11/02). (3 pages)
7. Executive Search Firm, Procurement Schedule (Draft 4/11/02). (1 page)
8. Timeline Draft Scope of Work for RFP regarding HFIMS. (2 pages)
9. List of Benefits Consultants (11 Consultant Firms). (1 page)
10. Approved minutes for March 14, 2002 Administrative Committee Meeting. (4 pages)
11. Approved minutes for March 20, 2002 Administrative Committee Meeting. (2 pages)